PHILADELPHIA CONTRIBUTIONSHIP

CENTENNIAL-ANNIVERSARY

Mr. BINNEY'S ADDRESS

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CENTENNIAL MEETING

OF THE

PHILADELPHIA CONTRIBUTIONSHIP

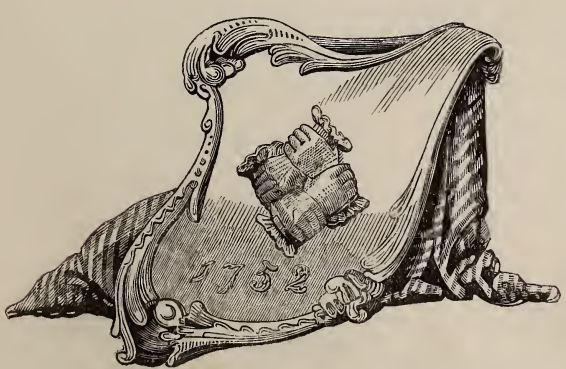
FOR

THE INSURANCE OF HOUSES

FROM

LOSS BY FIRE.

SECOND MONDAY OF APRIL, 1852.



PHILADELPHIA:
PRINTED BY ORDER OF THE COMPANY.
C. SHERMAN, PRINTER.
1852.

Reprinted under a Resolution of the Board of Directors of The Philadelphia Contributionship,

March 27, 1876.

Jas. Somers Smith,

Secretary.

Allen County Public Library

CENTENNIAL ANNIVERSARY.

At a general Meeting of the Members of the Philadelphia Contributionship for the Insurance of Houses from Loss by Fire, held pursuant to Charter, on Monday, April the twelfth, eighteen hundred and fifty-two, Benjamin Jones, Jr., was appointed Chairman, and Wm. B. Fling, Secretary.

An election was then held for twelve Directors and a Treasurer for the ensuing year, when the following persons were chosen:

DIRECTORS.

JOSHUA LONGSTRETH,
HORACE BINNEY,
WILLIAM H. HART,
WILLIAM SMITH,
LEWIS WALN,
DR. CHAS. WILLING,
ALEX. W. JOHNSTON,
J. PEMBERTON HUTCHINSON
JOSEPH SWIFT,
HENRY J. WILLIAMS,
RICHARD P. LARDNER,
DR. J. RODMAN PAUL.

TREASURER.

JAMES S. SMITH.

JUDGES IN BEHALF OF THE BOARD OF DIRECTORS.

WILLIAM H. HART, WILLIAM SMITH,
DR. J. RODMAN PAUL.

JUDGES ON BEHALF OF THE CONTRIBUTORS.

BENJAMIN JONES, JR., J. FISHER LEAMING,
WILLIAM HARMAR, WILLIAM B. FLING,
GEORGE CAMPBELL, JAMES S. NEWBOLD,
R. E. GRAY.

The election being over, the names of the persons elected Directors and Treasurer were reported by the Judges to the General Meeting, as required by the Charter.

This being the Hundredth Anniversary of the organization of the Philadelphia Contributionship, Horace Binney, Esquire, the Chairman of the Board of Directors, at their request delivered an Address, giving a succinct and interesting sketch of the origin, progress, and present state of the Company, and of the statistics of insurance against fire, both in this country and Europe.

On motion, the following Resolutions were unanimously adopted.

The Members of the Philadelphia Contributionship, assembled on the Hundredth Anniversary of the organization of the Company, deem it proper to express and record their opinion, that the principles upon which it was founded, viz., "not merely the mutual security of the members, but for the common security and advantage of their fellow-citizens and neighbours, and the promoting of a great and public good, apart from all motives of private and separate gain," have been most successfully established by the experience of a century, during which full indemnity has been afforded to its members, all losses promptly and satisfactorily adjusted without controversy or litigation, and no privation caused to any by the loss or diminution of dividends.

Possessing an ample capital in proportion to liabilities, and conducted on the principles which have always regulated its Directors, the members see no limit to the usefulness or duration of the Institution, which, like the oak at the end of a century, may be considered in its prime.

Resolved, That the thanks of this meeting be presented to the Chairman of the Board of Directors, Horace Binney, Esquire, for his able, instructive, and eloquent address, and that he be requested when his leisure will permit to reduce it to writing, in order

that it may be printed by the Directors for the use of the Contributors.

The meeting then adjourned.

BENJAMIN JONES, JR.,
Chairman.

WM. B. FLING,
Secretary.

OFFICE OF THE PHILADELPHIA CONTRIBUTIONSHIP,
April 13, 1852.

DEAR SIR :—

In compliance with the instructions of the Directors, I send to you the foregoing copy of the Minutes of the proceedings of the General Meeting of the Members of the Philadelphia Contributionship for the Insurance of Houses from Loss by Fire, held on the twelfth instant, the *Centennial Anniversary* of the organization of the Company.

The able and instructive Address then deliverd by you, was, I am aware, extemporaneous, and the reducing of it to writing, must (especially in the present state of your eyes) be attended with some difficulty.

The warm interest, however, which you have always

shown in the affairs of the Company, and of which your acceding to the wish of the Directors by delivering the Address is an additional proof, induces the hope that you will comply with the request of the members, made by acclamation at an unusually large meeting.

I am very truly and respectfully yours,

JAMES S. SMITH,
Secretary and Treasurer.

HORACE BINNEY, ESQ.

SOUTH FOURTH STREET,
April 28, 1852.

DEAR SIR :—

I send you a sketch of what I said at the Centennial Meeting of the Company, in conformity with the request of the Contributors, a minute of which accompanied your obliging note. Some of my remarks I may not have recalled, and some of them I have perhaps written out with more detail than I gave to them orally. Such as I have been able to recall, I send to the Directors with pleasure, and hope that they may

revive an agreeable recollection of the day in the contributors who were present.

I remain, very truly,

Your friend and servant,

HORACE BINNEY.

JAMES S. SMITH, ESQ.,

Secretary and Treasurer.

MR. BINNEY'S ADDRESS.

Mr. Chairman :—

In behalf of the Directors and Treasurer, re-elected to office, I beg leave to express the acknowledgments due for the continuance of your confidence and approbation. They have heretofore managed the business of the Company in a manner that I believe has satisfied everybody. They have settled all losses that have occurred, in a spirit of liberality to the contributors who have suffered by fire, and in a spirit of justice to the whole body of contributors. They will continue to execute their offices in the same spirit. It is the right spirit in all Insurance Companies. It is especially so in a Mutual Fire Insurance Company. The effect of such an administration is seen in the increasing number of contributors, and in the great solidity of the institution.

At a common annual meeting of the Company, this is perhaps all that it would have been proper to say. Our annual meetings are less distinguished by speeches, than by votes and deeds. We listen to the annual report of the Directors upon the operations of the past year, and upon the present condition of the office, have a little agreeable discussion at the cold table in the

other room, set fire to a segar or two, and burn them out with small loss, vote, declare the result, and retire with a decided feeling of comfort. The exceptions to this rule have been very rare.

But this is not a common annual meeting; and within the past week, the Directors have thought that you would expect it to be noticed by some more words than usual; and they have done me the honour to request, that, as the Chairman of their Board, I would informally express them to you in a brief review of the Company since its institution. If the request had been made at an earlier day, and the state of my health had permitted, I should have endeavoured to do this in a manner more worthy of your attention, than I can hope to do it extemporaneously; but I do not know that even a longer allowance of time would have enabled me to write out my remarks, an exercise by no means agreeable to my eyes, though it would certainly have permitted me to think more and better of what it is fitting to say to you. What I shall say, will no doubt be received with indulgence, and it will be said in an unpretending way, and with all the simplicity in my power.

It is *one hundred years* this day since the first organization of this Company. The first election of twelve Directors and a Treasurer, to put the Company into action, was held on the second Monday in April, one thousand seven hundred and fifty-two. We are to-day a hundred years old; and what a century it has been! I do not mean in regard to the world at large; that is

a different theme, and the development of many things in the century belonging to the world at large, much more wonderful than our own. But what a century it has been for this association! We began a hundred years ago with nothing but a good thought, a seed, which when it was sown, was no bigger than a grain of mustard seed, "less than all the seeds that be in the earth;" and at this day how many lodge in security under the shadow of the tree that has sprung up from it! A century ago, not an inhabitant of this city possessed a dollar of indemnity against the loss of his dwelling by fire. To-day this Company insures eight millions of property in brick and stone buildings, and holds seven hundred thousand dollars of effective well-secured funds to indemnify the loss that may happen to them by fire. I speak in round numbers, but with little variance from the literal facts. It holds this security after paying in the last two years, more than a hundred thousand dollars for such losses. It was indeed a great and prolific thought, and great honour is due to those who first conceived it among us, or who first obtained the seed from elsewhere to plant it here. If I knew the father of this thought, I would honour him as among the great benefactors of his race, as one of those rare persons who are in advance of the age in which they live. It would give me particular delight if I should find him to have been a citizen of our own city, if I could find that the thought of a Mutual Assurance Company for the insurance of the houses of its members from loss by fire, was a conception of our

own country, and especially of our own city. My inquiries, however, prevent me from holding this agreeable opinion; but I entertain no doubt, that although the conception belongs to another country, the seed was first planted in Philadelphia among all the cities of the now United States, and I will name the persons, and endeavor to name the leading individual among them, to whom the praise of planting it and protecting it in its earliest growth is due.

Mr. Chairman, we were not very far behind the earliest in the establishment of such a company anywhere. Our Company was established upon its present foundation in the very middle of the eighteenth century; and I am unable to find a trace of anything similar anywhere, before the very close, in the last five years, of the seventeenth. I have been led to believe that insurance by either companies or individuals against loss to houses or buildings by fire, was unknown before that date. I mean of course to confine myself to insurances against fire on land, and upon houses or buildings, and not to include insurance upon merchandise on land, though I have found no trace of the latter, and know that companies to insure merchandise on shore, were of subsequent introduction into England.

Considering the present state of fire insurance in England and in this country, its immense expansion, the amount of such insurances in England in the year 1849, as ascertained from the stamp duties, having been 811,000,000 sterling, four thousand millions of

dollars, demonstrating its perfect adaptation to the wants of society, which have been the same for many centuries, how can we account for its comparatively recent introduction among an intelligent, active, commercial people, having the analogy of marine insurance to warn and to prompt them, and suffering immense injury in their property almost every day for the want of it? It is a problem by no means easy to solve.

Marine insurance, it is supposed, was known and in use as early as the very beginning of the Christian era. The use has very reasonably been thought to have received great development at a considerably later period by the invention of bills of exchange, which required that shipments to put funds into the hands of the acceptor, should be protected by insurance on their passage. The practice has been co-extensive with modern commerce, and has been in general and indeed universal use for many centuries. How extraordinary, that, with this contract in habitual daily use before them, insuring their property at sea against perils of the sea, and *fire* also, the men of England, so prudent and circumspect, so wary and provident, should never until the very close of the seventeenth century have thought of insuring their houses upon land against the great peril of fire, from which they were suffering almost daily in their private fortunes, and in many instances enormously. I cannot pretend to explain this anomaly with anything like certainty. It will remain an anomaly after any solution that has occurred to me. But we know that the spirit of acquisition

is more vigilant than the spirit of conservation; that when men are intent upon the gains of trade, their eyes never close until they have looked in all directions for the dangers that may assail the adventure, and looked up if possible a protection against them all; but that when the house is built, and placed among the things that are thought certain and assured in this world, the owner goes to sleep in it, and awakes only to the dangers that may attend further gain. This may be a very unsatisfactory reason for the difference; but if it does not answer, I can suggest little more, except the want of all materials to estimate the premium or risk of fire on land at that time of day, while at sea there were the materials derived from the long previous practice of maritime commerce.

This want of statistics to regulate fire insurance premiums, may account in part for its not being introduced as soon even as it was thought to be expedient, and may also account for the nature of the first association for this purpose that I will presently mention to you, and which was in some degree independent of statistics, as the insurers and the insured were the same persons.

Life insurance, as we now understand it, was no earlier than fire, nor indeed so early; and its comparatively recent introduction is in part the occasion of like surprise, but not in the same degree. Considering its great convenience, and the immense resort to it at this day, its introduction ought to have been coeval with modern civilization, and certainly with the ear-

liest days of modern refinement; but elements essential to its successful introduction did not then exist. Insurance of *persons*, assuming the perils to life, was known at an early period of modern commerce; but it was used as a branch of marine insurance, to provide for the case of death during a voyage, or for the ransom of a captive at sea in the Mediterranean, or on the coast of Europe, whose fate, if unredeemed, was frequently death or slavery. In such cases the risk was principally maritime, and was probably estimated on much the same principles as the risk of maritime adventure generally.

The contract in some instances no doubt was used by creditors to secure such debts and payments as were dependent upon the lives of their debtors; but the true principles of the contract being then unknown, it was abused to such a degree that it became the general opinion of the continent that life insurance was against good morals, and it was discouraged. Finally, the objections to it became complicated with religious or superstitious impressions, that what was the gift of God, and when taken away was His resumption, ought not to be insured. It was consequently prohibited by the ordinances of Rotterdam, Amsterdam, Middleburg, Bilboa, etc., except as a provision for ransom, for which some of them permitted it; but by the Ordinance of Louis XIV., in 1681, it was prohibited universally to insure the life of anybody, and the received doctrine in France was, that such a contract was against the law of nature, and void.

It seems to have been in a great degree accidental, that life insurance was introduced into England as soon as it was. Until the close of the seventeenth century there were no materials for scientifically calculating the value of life at a certain age, the probability of its future duration, or its continuance for a particular time. The doctrine of probabilities before that time was imperfectly developed, and almost exclusively in regard to games of chance; and the facts for its application in regard to life had not been sufficiently observed. In the year 1693, Dr. Edmund Halley, the celebrated mathematician and astronomer, to renew the suspended publication of the memoirs of the Royal Society, of which he was assistant-secretary, undertook, for his own share of the labour, to provide for five pages in twenty, or one-fourth of the whole mass that for several years from its institution, in 1660, had made the periodical issue of the society. It has been thought that under the stimulus of this compact, he prepared and printed, in the memoirs of the society, a paper, with the title of "An Estimate of the Degrees of Mortality of Mankind, drawn from the various Tables of the Births and Funerals of the City of Breslau, with an attempt to ascertain the price of Annuities upon Lives." The paper was founded upon a statement of the births, deaths, and ages of the persons dying in that city in the five years from 1687 to 1691, and it resulted in giving what is called a "Table of Mortality;" and it is remarked in the work from which I get my information, as an extraordinary fact, that the public might have availed themselves of the

benefits of Life Assurance in 1693, upon the terms deduced from Dr. Halley's table, and at the rate of interest then current, six per cent., as safely as they can now grant annuities, or insure lives, with a reduced rate of mortality deduced from the Northampton or Carlisle tables, and especially from the table of mortality of males deduced by the Register General from the returns under the General Registry Act of 1838, at the present rate of interest, three per cent. How long the want of such a table would have postponed the granting of life annuities, or the making of life insurances, in England, no one can certainly say, nor do I mean to say that this table was followed by the first company afterwards established, though it is still followed by one of the life insurance companies in London; but the first company for such transactions was incorporated in that kingdom in 1706, and not before. A mutual insurance company to indemnify against losses by fire happening to buildings, preceded the life insurance company but ten years. Upon what facts it established its first rates, I have been unable to find. If it had any, it had more than some of us now have in this city. It had no capital, as far as I can learn, nor any security for its losses except its own premiums; but as it was a company for mutual assurance only, the insurers and insured being embarked in one bottom, it was as safe a mode as could be devised of beginning an experiment. It planted the seed from which the now marvellous tree has grown up in England and elsewhere.

Mr. Chairman, I have made these remarks to enhance in some degree the merit of the men who established this institution in the year 1752. If they were not the first to introduce insurances against loss by fire to houses and buildings anywhere, they were the first to introduce them into this country. After some inquiry, I am satisfied that fire insurance was not known among us before that year. Marine insurance was practised here as early as 1721; for a broker's office for effecting such insurances is advertised of that date in a gazette of this city; but policies against fire were not known. The earliest incorporation for fire insurance in Boston took place in 1795; and I am informed that private policies against the risk were previously unknown there. All the world seem to have come tardily into the use of this most important security; and yet the risk has been coeval with society. The use of it in Paris, precedes us but half a dozen years; and in regard to Holland, with whom our early relations were more intimate than with any other people of the Continent, the Hollanders were not only not before us, but they are, I believe, still behind us, and behind the rest of the world; and they have positively discouraged the practice, under the narrow view that it increases the negligence of people in guarding against accidents by fire, and promotes *incendiarism and fraud*. There may be, and certainly are such incidents to it; but how small the evil of them, compared with the immense beneficence of the general practice!

And how and by whom was this Company formed? It is quite interesting to know, and to record it. It concerns the forefathers of our city, our own ancestors, and will give an agreeable picture of their wisdom and efficiency. The particular manner is as well known to us now as it was to them at that time. The principal actors also are known. The special agency of each in the transaction may to some extent be conjectured, from the tradition of their characters that has come to us, and from the minutes of their transactions, all of which are extant from the first meeting to the present day. But although I may perhaps name the individual who is to be regarded as the leader or founder of the Institution, the claim to this position can be asserted only on conjectural grounds.

The manner was very simple and direct. Two or three persons of activity, no doubt, and of sufficient esteem in the city, caused to be prepared the articles of association and agreement, creating the Company, and declaring the terms and conditions upon which they would insure the houses and buildings of each other, in and near the city of Philadelphia, against loss by fire, and the extent and limitation of the liability of the association for the loss. These articles of agreement they called A DEED OF SETTLEMENT, and it was to be signed at first by all who were willing to insure with the Company; and after the first election of Directors and Treasurer, who were to be chosen annually for the government of the Company, by all who should in fact insure with them. We have it now before us

engrossed on parchment. All who are now present have probably signed it. All ought to sign it, but the ceremony in modern times has not been universally performed.

After this initial paper had been signed with such names, and to such an extent as to have weight and influence with the inhabitants, an advertisement was published on the 18th of February, 1752, in the *Pennsylvania Gazette*, a weekly newspaper, published by Benjamin Franklin and David Hall, inviting subscriptions generally. This was its tenor: "All persons inclined to subscribe to the articles of insurance of houses from fire, in and near the city, are desired to appear at the Court House, where attendance will be given to take in their subscriptions every seventh day of the week, in the afternoon, until the 13th of April next, being the day appointed by the said articles for electing twelve Directors and a Treasurer." And accordingly, on the 13th of April, 1752, the second Monday of that month, the subscribers convened at the Court House and elected the Directors and Treasurer for the current year. The Company was thus brought into existence, and endued with capacity to perform its important office. The members were called *Contributors;* and it was named in the deed of settlement, even before its birth, *The Philadelphia Contributionship for the Insurance of Houses from Loss by Fire.*

The name first subscribed to this deed of settlement is that of James Hamilton, the Lieutenant-Governor of the Province under the Proprietaries. It was the name

of a public officer, announcing the approbation and favour of the government, but indicating no special participation in originating the company. The first private name is that of *Benjamin Franklin*,—private in the unofficial sense, but publicly known in the Colonies, and thereafter to be universally known among men. His name stood also at the head of the Directors chosen at the first election. They were Benjamin Franklin, William Coleman, Philip Syng, Samuel Rhoads, Hugh Roberts, Israel Pemberton, Jr., John Mifflin, Joseph Morris, Joseph Fox, Jonathan Zane, William Griffitts, and Amos Strettell; a list which contains names of some of the most respected citizens of Philadelphia, whose descendants are still among us, and are personally esteemed and honoured. The first Treasurer chosen for the same period, was John Smith; and among these men I think we are to look for the originator or introducer of this plan of insurance.

Most persons, strangers to our city particularly, would be inclined, from the two facts I have mentioned, his being the first to sign the deed of settlement, and the first named Director, to assign the first motion to Dr. Franklin, and to regard him as what is now called "the motive power." He was a man of quick perception, great sagacity, remarkably desirous of useful knowledge, possessing a vast fund of it, and most ingenious in the application of it. His mind was suggestive, and he was skilful and indefatigable in making his suggestions popular with his fellow-citizens. He was connected with so many useful works and

designs in Philadelphia, that the merit of most or all of them during his time, is generally, by strangers at least, attributed to him; and his apparent leading in this Institution would seem to give countenance to such a claim in the present instance. But the negative evidence will be found to be pretty decidedly the other way.

Dr. Franklin in his autobiography, neither claims the merit, nor does he mention the Institution; while about the same time he records his connexion with the Pennsylvania Hospital, the Academy and Grammar School, subsequently the College, and now the University of Pennsylvania, and the first design of paving the city, which I think he says was his own suggestion, and that he was the first mover in the plan, though the lighting of it was, as he also records, suggested after his departure for England in 1757. We must do Dr. Franklin the justice to believe that he never claimed a merit of this kind that did not belong to him. He disclaimed the merit of originating the Pennsylvania Hospital, because it did not belong to him; and the manner in which he makes this disclaimer in his autobiography, shows the reason why his name was sometimes used to promote plans, of which he thought favourably, although he was in no manner the author of them, nor perhaps active in promoting them.

"In 1751," says this delightful biography, "Dr. Thomas Bond, a particular friend of mine, conceived the idea of establishing a hospital in Philadelphia (a very beneficent design, which has been ascribed to me,

but was originally and truly his), for the reception and cure of poor sick persons, whether inhabitants of the province or strangers. He was zealous and active in endeavouring to procure subscriptions for it; but the proposal being a novelty in Pennsylvania, and at first not well understood, he met but little success. At length he came to me with the compliment that he found there was no such a thing as carrying a public-spirited project through without my being concerned in it. 'For,' said he, 'I am often asked by those to whom I propose subscribing, *have you consulted Franklin on this business? and what does he think of it?* and when I tell them that I have not, supposing it rather out of your line, they do not subscribe, but say *they will consider it.*' I inquired into the nature and probable utility of this scheme, and receiving from him a very satisfactory explanation, I not only subscribed to it myself, but engaged heartily in the design of procuring subscriptions from others."

Dr. Franklin's name was a sanction for *this* undertaking as well as for *that*, and whosesoever was the first thought, his was the adoption and recommendation of it as a good thought, and this merit must undoubtedly be accorded to him. In the first outset of the Company he gave attendance at the meetings of the Directors, and so co-operated with them; but the minutes which the office now possesses from the beginning, and which have been always kept with great distinctness, furnish no traces of his particular action in its concerns. After his re-election, in 1753, he attended more rarely, and

must have been a pretty large contributor to the fund of absentee fines; and he ceased to be a Director after the close of the second year.

Instead of this distinctive name as the author of the plan, there seems to be at least as much reason for attributing it to a gentleman, who, from the extraordinary increase of his denomination in modern times, would now be considered as having no name at all—*John Smith*. He was, however, as is still well known, and almost remembered, a man of property, who took an active part in the institution and promotion of other establishments for the benefit of the city, a merchant, occupying a large and well-furnished brick house in a quarter of the city where the most affluent families had their residence at the time, and who from his profession was likely to be acquainted with the usage of insurance against maritime risks, and in frequent connexion with the mother country, where fire insurance was practised. He was the first Treasurer of the Company, the responsible depositary of the funds, the unpaid agent for several successive years in the receipt, disbursement, and investment, of the deposits or premiums. He was the main executive officer; and until after the Company was thoroughly set agoing, he did not retire from its service, and then he carried with him the thanks of the Directors. He was also the first person who insured with the Company, to give it a start, and made a second insurance in advance of any other person. The surveys of his two brick houses, three stories high, are No. 1 and 2, of the first of June,

1752. The originals are now in the office, and I will read No. 1 as a formula of the early surveys.

"*Surveyed* June 1st, 1752.

At the request of *John Smith*, Merchant, his dwelling-house on the east side of *King* Street, between Mulberry and Sassafras, 30 feet front, 40 feet deep, brick, 9 inch party walls, 3 storys in height, plaistered partitions,
open Newel bracket stairs,
penthouses with board ceilings,
garrets finished, 3 storys, painted
brick kitchen, 2 storys in height,
15 ft. 9 front, 19 ft. 6 deep,
dresser, shelves, wainscot closet fronts,
Shingling $\frac{1}{5}$ worn.

He proposeth to assure five hundred pounds hereon.

We judge the above house and kitchen to be worth £1000.

Jos. Fox,
Samuel Rhoads.

£500. (a 20 s. per ct.)

The dwelling-house of John Smith, you see, was a considerable house for any time of day, and especially at that time; and *King* Street was, in 1752, a fashionable street with a loyal name. The King's name was then in the mouths of all the people. It was a tower of strength. But the "gentry" have disappeared from the street, and the name of the street has disappeared, and the strength of the name has ceased among us, and it is now diluted to *Water*. If the authorship of a scheme is to be inferred from readiness to bear its heaviest burden, from constancy in bearing it, and from priority in professing and proving his confidence

in its working, *John Smith*, the nameless, has better pretensions to that merit, than some of the more individuated names in the Company. His descendants I believe are among us, and are in great esteem. But who shall declare the generation of the *Smiths*, and especially of the JOHN SMITHS?*

Mr. Chairman, the contributors now know as much of the first actors in the Company, as I do, and the records tell no more. Its actions, as they appear in the Minute Book, were plain, sensible, and direct, very practical, very simple, recorded in few words, and followed out with great constancy and perseverance, through evil and good report; for, no doubt, there was of both kinds, and the Minutes furnish some evidence even of the latter; for many fell off at the expiration of the first seven years, and symptoms of dissatisfaction appeared in some instances before the close of that period. But the directors persevered with faithfulness, and they should have the praise of it.

At that day, the virtue of punctuality was esteemed at least as highly as it is now; but both then and now, appliances of some kind were, and still are, necessary to secure it. Punctuality at the monthly and other meetings of the directors, was at that time secured

* Since these remarks were made, I have learned from the grandson of this gentleman, JOHN JAY SMITH, Esq., the Treasurer of the Philadelphia Library Company, that the prominency or leading interest in the concern, which upon probabilities, I had attributed to his ancestor, is proved by an original journal and others papers still in possession of his descendants.

or promoted by a fine upon the absentees, two shillings upon the director who did not attend at all, and half that sum upon him who was absent at the appointed hour of meeting. A remembrancer of a different kind has been substituted in modern times. In London, I believe, the modern expedient in similar cases, Life Insurance Companies in particular, is to pay a guinea to those who give full attendance. Our fashion here, is to give at the monthly meeting, a reasonably good dinner and a segar. The other meetings, which in the form of committees, are frequent and almost daily, are performed *fasting*. But while we know how this remembrancer is disposed of by us, and may conjecture how the London guinea or sovereign is disposed of, what do you suppose was the use to which our forefathers applied that fund of treasury fines which was accumulated by the defaults of the Directors? I will give you any time you please to guess,—either the thing itself, or the *species*, or even the *genus* of it. It had no relation to burning or to building, to eating or to drinking. It was the reverse of bread to the poor and it conveyed neither pleasure nor instruction to the young, nor indeed to any one who minded his own business and stayed at home, as I dare say the Directors themselves did. But it was a public-spirited use, and in the true utilitarian temper of the day, and was of unspeakable comfort at times to the weary wayfarer, especially when the roads were founderous, and the only comfort on the way was to know how much you had ploughed of the journey, and how little of it remained to be ploughed. They invested their exchequer in

milestones, numbered consecutively, and planted them from the intersection of Front and High Streets to the river's edge opposite Trenton, in New Jersey; and having gained in accurate measurement by the Surveyor-General of the Province, two miles in the estimated distance, they planted the stone numbered 29 miles from Philadelphia, at the distance of four chains from the edge of the Delaware, and gave the two supernumerary stones which they had provided, to somebody else, to prosecute the good work further on. This work was begun by a Committee of the Directors at 5 A.M. on the morning of the 15th of May, 1764, and it was reported on the 17th of the same month to the Company as completed. In a subsequent year, when the treasury had again become raised up by means of the same *vacuum* in attendance, they pursued the like work towards the boundary of the province in the direction southward towards New Castle, Delaware. The blessing of the traveller upon him who first invented milestones, certainly did not fall upon them; but theirs was the first application of the invention in this quarter of the world, and deserves at least half of the blessing.

I have little more to say of their minutes. The more profitable reference on the present occasion is to the principles of the association at its outset, and their subsequent modification in an important point, the progress of their insurances afterwards, and the present state of them in point of security, both positively and in comparison with the body of fire insurances in Great Britain and Ireland. I shall make no comparison with any existing fire insurance company in our own country.

But as a matter connected with the parentage of this Company, and the discovery of the original or exemplar in another country from which this design was taken, I must advert to another entry in the Minute Book, which in this relation is worthy of notice.

The Directors, though the society was not incorporated in 1752, nor until the year 1768, established a *seal* to be affixed to the policies, at their first meeting after the first election. The common synonym of the Company, the *Hand-in-Hand*, so well known to all of us, and to the city generally, is not, it may be observed, contained in any part of the *deed of settlement*, nor in the policy, nor as far as I have been able to ascertain in any of its minute books or papers. Yet the thought of that name was present to the first Directors and Treasurer; and the device of the seal established as the first act at the first meeting of the Board, was "*four hands united*, with the motto, *Philadelphia Contributionship*." The Directors also established the *badge*, as we have since called it, or as it was then called, the "*mark*" of the Company; the same four hands united in metal, upon a shield of wood, which they thought it material to the safety of the Company to put up on the front of the building insured, possibly because in their opinion there would then be a knowledge that it was insured by the Company, and the efforts of the contributors and their friends would be more strenuously directed to save it. A different state of things has induced the doubt in our times, whether the appearance of the badge has not led at least on some occasions to an opposite result, and the use of it

is now discontinued. The seal, however, with its old device remains, and it is now the seal of the corporation.

The original principles of this Company, Mr. Chairman, were these.

1. The policy of insurance was for seven years.

2. The premium was neither a rate payable annually, nor for the entire term of seven years, but was the deposit of a sum, the use or interest of which during the policy belonged to the company, and so it continues to this day.

3. The risk of all fires was assumed, without any exception of public enemies, military or usurped power, rebellion, civil commotion or riot; and so it continues.

4. The property insured was protected during the term against any number of losses not total, without reducing the amount insured on the premises, or impairing the deposit. In case of destruction from the first floor upwards at any time, the Company had an option to pay the whole insurance, and so end the policy; or to rebuild, the policy continuing in force; and how often soever the destruction by fire, and the rebuilding might take place during the term, the policy continued in force, and the deposit unimpaired. And so it continues.

5. The payment of the deposit, the acceptance of the policy, and the signature of the deed of settlement, made the assured a member of the Company, and a party to all the articles in the deed. And so it is to this day, the signature to the deed being sometimes neglected, as the other acts are of equal efficacy.

6. The personal liability of the members for losses, beyond their own deposits, was half as much more, in case a single fire, beginning in one house and damaging one or more houses, should sweep away all the funds of the Company.

7. The concern was managed *for the profit and loss of the members*, interest being allowed to them on their deposits, in proportion to the whole amount received by the Company, and a proportion of the losses and expenses charged to them, and the balance settled at the expiration of the policy.

8. Executors, administrators, and assigns were included as members, there being a provision for notice of transfer and assignment within a limited time, and the approbation of the Directors. It is so at this day.

The modifications since made of some of these principles are these:

1. The policy is now perpetual, with liberty to determine it on either side, on certain terms.

2. The feature of personal liability in any event beyond the deposit money is obliterated.

3. The profit and loss principle was expunged at an early day; and it will interest you to learn the effect of this principle while it operated, and the development of business that instantly followed the resolution of the Company abolishing it.

While the principle was in force, the Company was in effect a dividend-paying company, the dividend being apportioned and paid periodically, and there being no capital nor security for losses beyond the actual deposits and the interest not divided, except the guar-

anty in one event of a further payment of fifty per cent. of each member's deposit. It was a cardinal defect in the scheme. Under such a principle, I do not see how the Company could become extensively useful.

The effect of it in the first ten years of the Company was this: the amount of their policies at the end of the first year, namely, 25th of March, 1753, was $108,360; and the amount of their deposits, $1261 93. At the expiration of ten years, namely, in March, 1763, the sum insured for that year was, $67,773; and the deposits $982 25. There was a falling off of nearly two-fifths at the end of ten years. Many did not renew their policies at the end of the term. The minutes show the fact, and the efforts of the Directors to counteract it. New business did not come in. Reflecting men must have seen the defect, and declined the security. Others, perhaps, thought the whole affair a small one. With an almost entire ignorance of the average risks of fire in the city, and of the proper rates of premium to be charged for insuring against them, it seems to be remarkable that they did not perceive at the outset both the benefit and the necessity of accumulation, to give the Company anything like stability —anything deserving the name of security against the variations of loss from time to time, which all perceive, though the general ratio is even now for the most part unobserved, or but partially known. I am inclined to think that the Company at first was misled by a foreign example, perhaps not perfectly understood, perhaps successful against all previous probabilities. It is quite remarkable, indeed, that the Company should have

gone on for even these ten years without an admonition, that the profit on the deposits could not be divided at any time, without a large reservation for undetermined contingencies. It seems as if a loss of a few thousand dollars could not have occurred in the whole period, without sweeping away the deposit fund, and breaking up the Company. It is nevertheless true, that the interest upon the deposits did pay the losses and expenses, and leave a dividend to the depositors whose policies from time to time expired. The facts say something perhaps in favour of the general carefulness, sobriety, and good order, of our city at that early time, and for the then common union of all the able-bodied inhabitants at fires, guided by men of known energy and character, at a day when such men took the lead with general consent, and compensated for many defects both in the apparatus and the supply of water. But all subsequent experience seems to be against fire insurance companies upon such a principle, as it is also against such companies as approach it in practice, while they have a better principle in their constitutions.

At the general meeting in April, 1763, the members unanimously expunged this provision from their deed of settlement, and substituted two cardinal provisions in its place. 1. "That the interest arising from the stock, should be carried to one common account, to answer the contingent charges of the Company, and all losses and damages that might happen to the same." 2. "That no part of the deposit money should be ex-

pended in repairing or paying for any damage done by fire, until the balance of the interest money, as shall accrue to the time of such fire, shall be first expended."

The change seems to have been recommended by the Directors, upon the ground mainly of convenience, to avoid the necessity of troublesome calculations of dividends of profit upon the expiring policies; a sufficient reason, perhaps, to be assigned at the general meeting. But it is impossible to believe that the members of the Board of Directors did not perceive by the condition of the Company, as well as by the consideration of general principles, a far weightier reason in the necessity of giving tone to a languishing body, so as finally to endue it with strength to meet all probable hazards in reserve for it. I have no doubt that the last was their ruling motive and object, and I desire to give them credit for it. It was a great thought. So far as I can discover from the constitution of a primitive mutual assurance fire company elsewhere, it was an original thought; and it was undoubtedly a thought as full of good-will towards the distant future, as it was of precaution for the time near at hand,—for those who might at any subsequent day seek the security, as well as for those who had then availed themselves of it. It has been the building up of the Company to its present adult strength and solidity.

Mr. Chairman, I shall have occasion to make a few remarks presently upon the defective state of our knowledge in regard to the facts that ought to govern us in estimating the risk of loss by fire, and the proper rates

of premiums of fire insurance. The facts are necessarily of great complication and variety. Some of the causes of loss by fire may be regarded as of nearly constant or permanent occurrence and operation, and can hardly be guarded against; some of them are occasional, almost strictly occasional, operating in one state of things, and ceasing to operate in another state of things, which we are able to explain and provide for. I speak of *losses* by fire. Some of those which we must regard as of permanent operation, appear at particular times and in particular places to become dormant, to sleep, to be as it were extinct; while at the same time in other places, and at other times in the same places, they operate with regular energy and force.

Looking casually at the risk of fire to houses and merchandise, either as to its happening at all, or as to the extent of injury when it does happen, an uninstructed observer might be disposed to say that there is no rule about it; it is a matter of mere *chance;* there is no such thing as estimating the risk of fire in such a city as Philadelphia, and particularly the extent of loss by fire. A fire happens one day, and it does not happen the next. The element sleeps one month, and rages another. It desolates the city in one year, and is moderate and governable for some years afterwards. It destroys one house, or a dozen; it half destroys another house, or another dozen; and it scorches or slightly burns one or a dozen, or fifty others. The facts are so. There is no doubt about it. Partially observed, they appear to sustain the objection that it is all

chance, and that there is no rule about it. But philosophically speaking, there is no *chance* in the matter. There may be what are called *chances* of its being so, and not otherwise; but these *chances* resolve themselves to the observer, after long, extensive, and accurate observation, into what are called *probabilities;* and as effects follow their causes, if the same causes remain, the same effects will follow, and at length a rule may be deduced from a great mass of observations, that deserves the name and gives the assurance of great or high probability, that a certain or nearly certain proportion of fires will happen in such a city, in a year or other given time, and that a certain proportion of losses, total, severe, or slight, will happen in a given time, a week, a year, or a century; and the average of the whole may be practically ascertained, near enough for the adjustment of premiums upon the whole city, if the whole is insured, or by a proper calculation of probabilities, for a portion of the city, if a portion be insured.

But who had made this mass of observations in the early days of this Company? Who among us has made them now, after the lapse of a century? The experience of many years in a single company may undoubtedly be something, but if we advert to the experience of past days, and especially to the experience of this present day of dividends pretermitted, of undisclosed encroachments upon capital, and of unknown proportions between amounts insured, and of capitals or reservations to protect them, we should say

it does not amount to much. If all the companies were to club all their experience, and give it to the public, it might amount to more; but I am not sure that the aggregate would be worthy of entire reliance. The best experience we have is limited in point of time. It is also limited in point of range. I will give my reason for thinking so presently. One thing, however, is certain. If it is not more certain philosophically in the case of a company taking long risks, than it is in the case of every insurance company, constantly, from year to year, or month to month, taking short risks, it is at least more apparently certain in the case of such a company as this, which makes only permanent or perpetual insurances upon brick and stone buildings. And that certain thing is this, that nothing but long-extended and accurate observation of losses by fire will answer for such a company as this. One with another, the policy remains upon the building for the whole term of its existence. We insure it, as it were, for the life of the house, from seventy-five to a hundred years, more or less; and we take the risk of fire to that house, and of consequent loss, for the whole of that time. And so we do of all the houses we insure. Surely to do that with safety to the Company, we should be able to estimate the probability of loss, not from the occurrence of a few years, but of a great many, of a century even; from such a term, in fine, as will give us a near approach to the law of this species of disaster for the whole time. And at present, if we are at all approaching it, we are still, I think, a great way

off from it, and nearly if not quite as far as our forefathers were, to our shame be it spoken. And in this state of our knowledge, the thing that was the best for them to do, was what they did, and what we do at present, and it is still the best that can be done by us, namely, to regard our premiums of insurance as including no profit at all, but as requiring constant accumulation to meet the unknown hazards of the time to come, and which I fear are increasing among us from day to day. We may be wrong, and if we are, we are wrong on the right side. Those who have already declared their profits, their estimated profits, and paid them away without large reservations for the future, may be, and indeed some of them have already been, wrong on the wrong side. I do not say that there is one rule for us, and another for them. I think there is not. But I know from observation in this Company, of which I became a Director in 1817, and have constantly been so for the last twenty-one years, that there is a rule for us, which for a long time to come will be the only rule for us, that is to say, the rule of accumulation without dividends. The analogous rule in companies that insure for profit at the present rates, would be the rule of very small dividends of profit, and large reservations for the unknown future, until the true rule shall be better known. For, there are great calamities by fire, rarely occurring, as well as less calamities frequently occurring. There are years that may be called as in life-risks, years of plague and cholera, as well as years of usual or ordinary death;

and such devastating or mortal years, concern the insurers against loss by fire, even more than they appear to concern insurers of life, who rarely assume the risk of life in the class particularly exposed to plague and cholera. Fire knows no distinction of subjects, and houses cannot move away from it. Such calamities come, it is true, at more distant intervals; but still they come. A century, and even a shorter period, is the witness of them; and the duty of those who insure, and mean to keep insuring to all future time, is in some manner to provide for them; and with no knowledge at present that enables us to say with demonstrable probability, what these disasters will be, or when they may be expected, the law of our institution does the best that can be done, by separating our concern from the hope of gain, and from its one-sided speculations and estimates, and by enlarging our security to the utmost against the worst that may happen. If our successors shall at the end of another century find they have too much, it will only prove that the premiums, assisted by the accumulations which the deed of settlement requires, have been unnecessarily high, and the strength of the Company will then become a public benefaction to the whole city and its neighbourhood, in the reduction of rates of premium upon brick and stone buildings. But let me state two very striking facts in our history, to illustrate the degree of caution with which we should receive calculations as to the future, with our present knowledge. One of them, is that at the end of this present fiscal

year of our Company, 1852, we have, with a very inconsiderable fraction of excess, the same *proportion* of funds to the whole mass of insurances that we had at the end of the fiscal year, 1842, ten years ago, notwithstanding the intermediate accumulation. And the other is that, if the great fire of 1850 had occurred in the year 1808, it would have swept away the whole amount of our funds, deposits, and accumulations for half a century. Our insurances in the quarter where that fire occurred, are supposed to have been of the same amount or nearly so in 1808, as in the year 1850. The two mutual assurance companies of this city who covered at an early day that old quarter, as I may call it, bore the brunt of that storm; and as it was to come, it was well for us that it came no sooner.

So much, Mr. Chairman, for the great principle of mutual insurance with accumulation of the premiums, adopted by this Company in 1763. Every one must have his preferences; but for perpetual insurance of houses, I decidedly prefer this principle, not because it is certainly necessary to security, but because I see nothing that can be proved to be equally secure.

The *progress* of the Company has been from that time onward, with occasional exceptions of disastrous years; and after examination of our books, we do not concur in opinion with a very estimable and respectable annalist of our city, that there ever was a period when a loss of any extent disturbed the finances of the Company. In the war of the Revolution, and in the latter days of paper money, when the invest-

ments were upon mortgage, as they still are for the most part, and when to exact immediate payment, was to get paper worth one in fifty, or less, the Company may have had to proceed cautiously, to avoid paying a loss in the same paper; but except in such a case, the prompt payment of a loss cannot have disturbed them even in their infancy. Their advance was immediate after the rule of 1763; and the insurances continued to increase from year to year afterwards, to the present time. The public appear to have understood the value of the change.

The rates of insurance in that early day varied considerably from the present. The Company insured brick and stone houses in good positions, for twenty shillings in the hundred pounds, that is to say, upon a deposit of one per cent., the party insured retaining the right to a return of that deposit on the expiration of the policy, if the general losses did not exceed the interest, and the Company enjoying as the premium of insurance, only the use or interest of the deposit to go into account against the losses and expenses for the proportional benefit of all the members. At the legal rate of interest in the Colony, six per centum, this was equivalent to an annual deposit of one shilling and two pence farthing on the hundred pounds, or six cents on the hundred dollars. In some instances they insured for as low a deposit as seventeen shillings and sixpence on the hundred pounds. They insured brick houses with a joiner's or cabinet-maker's workshop in them, at two per cent. For good risks they rarely ex-

ceeded twenty-five and thirty shillings, that is to say, 1¼ to 1½ per cent. deposit. Until the deed of settlement was so altered in April, 1769, as to prohibit insurances on wooden buildings, they insured even such buildings upon a deposit of three per cent. It strikes me the more as remarkable, because I find that in the first English insurance company, in 1696, when the rate of interest in England was the same, namely, six per cent., the lowest rate of premium upon the least hazardous buildings, was an annual premium of *two shillings* in the hundred pounds. How subsequent experience has modified this rate in London, I am unable to say; but I find one recorded instance of insurance of a house, perhaps of the second class, in 1739, on an annual deposit of three shillings in the hundred pounds, and another on a first class risk in 1789, at two shillings. The lowest premium on a first class building, appears at that time to have been the rate I have just mentioned. The average of all the premiums of all the insurances in our own company, in 1753, the end of the first year, was but 1·17 hundredths per cent.; and in 1763, at the end of ten years from that time, but 1·44 hundredths per cent. The average of the rates appears to have gradually risen, up to the present time, the best class at the present time being about two per cent. deposit, though some of the old risks still remain lower; and I may state the average of all our insurances, as being 2·51 per cent. in 1822, 2·58 in 1832, 2·63 in 1842, and the same in 1852. How this will compare with the average rates in other compa-

nies in this country, I cannot tell, nor would it be interesting to know, unless they were like our own, selected risks upon brick and stone buildings in this city almost exclusively, and of about the same extent in amount. That some of our rates are too low, compared with the rates of the best risks, I shall make a remark presently to show; but in the main, they are thought moderate, and are uniformly satisfactory to the public, and at present the whole funds of the Company are probably in as large a proportion to all the insurances, as most other insurance companies can show. I find* that in the year 1849, the whole amount of fire insurance, in Great Britain and Ireland, as ascertained by the stamp duties, was 811,000,000 pounds sterling, guaranteed by about £50,000,000 in capitals set apart, and obligations, some part of which was a security for life insurances also. This security is in the proportion of about 6·16 dollars for every 100 dollars of insurance. The aggregate insurances of this Company were at the end of this fiscal year, the 25th March, 7,974,707 dollars; and our funds, not applicable to any other risks, were 694,545 dollars, which is about 8·74 dollars for every 100 dollars of insurance.

Such are the principles, original and modified, of this Company, its progress, and its present state. The

* I derive this fact and some others which I mention from the London Assurance Magazine, for September, 1850, and from Mr. Tuckett's Monthly Insurance Journal, published in this city, and which ought to be taken by all the insurance companies in this country. If continued, it may become of great value.

statement of them has, I hope, been satisfactory to the contributors who are present.

Mr. Chairman, I have felt a very strong desire to ascertain the true original of this Company,—its paternity; for I have never regarded it as a scheme that could have been struck out at once in this city, in the year 1752. I have thought that its very name indicated a foreign origin. "Philadelphia *Contributionship* for the Insuring of Houses from Loss by Fire." This name has never appeared to me to be a name derived from our municipal use. We have no other companies so called. Though the word *contributionship* is a very good one, and pretty indicative of its meaning, yet company, association, society, for mutually insuring houses, &c., would have done just as well, and the usage in other cases among us has been so to describe the design, and to take the distinctive name, or patronymic, from some city, district, county, or individual, near at hand, or well known to us. So also as to the articles of agreement by which the Company is regulated. They are commonly described as *articles of agreement*, *articles of association*, *constitution*, &c. But ours are called THE DEED OF SETTLEMENT. We have no practice among us of calling such things a deed of settlement, and, so far as my knowledge goes, never had. There is no other instance known to me in this city, or in this country. A deed of settlement is the common name among us for the instrument that conveys property in execution of a marriage contract, on or before, or in consequence

of marriage. It may be used occasionally in reference to deeds of property upon other trusts, but it is rarely so used; in reference to articles of association for insuring, for banking, or for the like purposes, never. I doubt whether such a name is or has ever been given to such instruments among us. This peculiar language has greatly fortified my impression of the foreign origin of the plan, and has stimulated and directed my inquiries. After some labour, and at length by good luck, rather than by regular research, in poaching among my law books I think I have found the father of this bantling, without any manner of doubt; and it brings me under the necessity of making in proof of it a very unusual citation upon such an occasion as this; but the reference is historical, and it is to two volumes of Chancery Reports, from which combined I get the whole story. One of them is the case of the *Sadlers' Company* against *Badcock*, in the second volume of Atkyns's Reports; and the other the case of *Mildmay* v. *Folgam*, in the third volume of Vesey Junior's Reports. Some of you may never have heard of such books before. Your leisure is given to pleasanter ones. But they are books well known to the lawyers, and of excellent authority for the facts they state, as well as for the law. I refer to them, however, only for the facts.

From these cases I learn that the first fire insurance company that was associated in London, was a mutual insurance company, instituted in 1696. It had nearly if not quite the same characteristics as our own. The

policy was for seven years. The premium was for the first year a rate for that year, and at the same time a deposit, that would furnish the rate for the rest of the term. This, you may see, was a better compensation than ours; for they got the rate at the moment of insuring; we get it by the product of the deposit, at the end of the year. All risks were assumed by the company, without exception of enemies, military or usurped power, rebellion, civil commotion, or riot. The property insured was protected during the term against any number of losses not total, without reducing the amount insured on the premises, or impairing the deposit. In case of destruction, the company had an option to repay the whole sum insured, and thus to end the policy, or to rebuild, the policy continuing in force; and how often soever the destruction by fire and the rebuilding might occur during the term, the policy remained in force, and the deposit unimpaired. The payment of the deposit, the acceptance of the policy, and signing the articles of association, made the assured a member of the company. The concern was for the profit and loss of the members; and on the termination of the policy, the assured received the deposit and his proportion of profit. Executors, administrators, and assigns, were included as members, there being a provision for notice of transfer and assignment within a limited time, and the approbation of the directors.

These were our characteristics at the outset,—and are by themselves a proof of our pedigree. But this is not all. The name of this primitive company in Lon-

don, was "The AMICABLE CONTRIBUTIONSHIP, and HAND-IN-HAND Fire Office." And still further, the articles of association were called in the instrument itself, and in the policy, the DEED OF SETTLEMENT. This seems to be quite enough to establish the filiation. And if anything is yet wanting, we have it in the seal and mark, or badge, adopted by this Company at its first meeting, the four hands united, the HAND-IN-HAND. It strikes me that the proof comes as nearly to demonstration, as the complete lineaments of the father in the face of his child. If every child knew its own father as well as we now do, there would have been a proverb less. The "Amicable Contributionship Fire Insurance Company," better known, perhaps, by its shorter name of the *Hand-in-Hand*, still exists, I believe, in London, a mutual assurance company against fire; and the prayer of dutiful descendants ought to be, that it may long live and prosper.

I beg permission, Mr. Chairman, after these rather diffuse remarks upon the origin of the Philadelphia Contributionship, its principles, progress, and present state, to detain you a few minutes longer, by some of a miscellaneous character, in regard to the spirit of its management, its usefulness in recent times, and finally, upon that subject to which I have already adverted, the present state of our knowledge as to the proper rates of premiums of insurance against fire in this city, and the method which seems to be recommended both by experience and theory for its improvement.

First, as to the spirit of its management. I need

hardly tell you that it has been universally satisfactory. I have never heard of a complaint, and do not believe that a complaint has been made.

In the adjustment and payment of losses, and in repairing or rebuilding, the Directors are umpires between one member of the Company, and all the others. They have no dividends to declare, nobody is dependent upon them for any part of their income, annual or semi-annual. The prompt and liberal adjustment and payment of a loss takes nothing from anybody. The sacrifice of the contingent fund, that is to say, of the whole amount of the fund beyond the deposits, is never required to propitiate expectant stockholders, or to forestall their complaints. In fine, there is no motive of any kind in the managers of the Company, to press a point either of law or fact in favor of the whole body to the prejudice of a suffering member. They are dealing with a fund which is not their own, which cannot be their own directly or indirectly, but which is a sacred trust in their hands during their term of office, to indemnify their members who suffer by fire, according to the contract, upon the fair and equitable principles which ought to govern the case. The rule of the office, I might almost say the necessary rule of such an office, is to make a fair and liberal estimate of every loss that occurs, and to pay it promptly, or as promptly to remedy it by repairing or rebuilding to the satisfaction of the party. They owe justice to all. They have no right to pay a loss that is not due. But when it is due in law and in conscience, they ought

not to chaffer, to higgle, to compel a compromise by delay, to exact an allowance for prompt payment, or in any other way or manner to put themselves in opposition to the suffering member. I do not mean to say that any company in this city does so. Most generally beyond doubt they do the reverse.

The Directors of this Company, however, are Trustees in such a case, as well for the suffering member as for the whole body, and not merely contractors for an indemnity; and they are bound to do him that liberal justice which all impartial persons shall say is fair. This has been the spirit of its management; and the result has been, that in the course of the whole century that has passed, there has been but *one suit at law* against the Company, and in that suit the Company was successful. My friend, the Treasurer and Secretary, Mr. Smith, reminds me that about forty years ago, the Directors asked my professional opinion upon a case which threatened to become a controversy by the tenacity of the demand, and the firm refusal of the Directors to pay any part of it; and that upon seeing the opinion that was given, the insured acquiesced. I know of no other case in which the Directors have asked a professional opinion upon their liability. In more than one instance of refusal, they have referred the claimant to the opinion of his own counsel, and have heard no more of the claim. They have consequently done little for the lawyers, but they have done all the more for the members of the Company. I believe the same is true of the other mutual insurance company

in this city, which was an offset as it were from this Company. It may be true of all mutual and non-dividend-paying insurance companies. There is something in their constitution which promotes this happy result. It may be the same with the Amicable, our progenitor. In one particular, that Company have been less fortunate than ourselves, that is to say, in the number of suits against them, for I have found *two* reported suits against that Company, in the course of the last century; but it is quite agreeable to me to say, that they succeeded in both.

The extent of usefulness which may be claimed as the praise of the Company, may seem small to companies that deal in larger numbers, and assume an immense mass of risks throughout the country, on merchandise as well as on buildings. Ours are selected risks on brick or stone buildings in this city or its neighbourhood. It is a domestic institution, and in comparison with some gigantic operations, is of moderate, though of daily expanding business. We must not be compared in this respect with some others, though we are not unwilling to be so compared in all other respects. But we have been to this extent useful in repairing losses to the members, and in restoring and improving the city, that in the course of the last twelve years we have paid for losses, on a single fire, in one instance about 35,000 dollars, in another instance about 80,000 dollars, and that the average of our losses for the last twenty years has been about 10,000 dollars per annum; varying, be it observed as a lesson on the subject of *annual* profits, from 1719 dollars in one year, to 13,930 dollars in the

next, and again in the next to 35,829 dollars; and in another part of the term, from 1569 dollars in one year, to 85,153 dollars in the year that next followed. The amounts are not magnificent, it is true; but it does not at all diminish their value to say, as may be said with literal truth, that payment has never been delayed by the Directors a single day in a single instance after the loss was adjusted, nor an adjustment delayed by them for a single hour, and that the discount of a dollar has never been taken for prompt pay, anything in the policy to the contrary notwithstanding.

I promised a further remark upon the character of the rates of deposit upon some of our risks, which gives colour to the inference that they are at present too low, compared with the rates of first class risks,—I mean substantial dwelling-houses, in good positions, which are generally insured for a deposit of 2 to 2½ per cent. The other class of risks to which I refer, are substantial warehouses or stores, as we call them, in good positions, unoccupied during the night; and the ordinary rate of which I may state at about 3 to 3½ per cent., with the liberty of storing merchandise. I state this without meaning to exclude exceptions for various causes. These two classes are adduced, in consequence of there being buildings in the one class, inhabited at night, and in the other not inhabited at night, and to give the result of the last ten years' observations, with reference to this single point of discrimination,—excluding, however, the great fire of 1850, which merged all differences between inhabited and not inhabited at

night, by its violence and extent, and which falls into the fiscal year ending 25th of March, 1851. A table which has been prepared in the office, will exhibit the proportions of loss to the sums insured, upon these two classes respectively.

TABLE OF PERCENTAGE OF LOSS ON BUILDINGS IN WHICH PERSONS SLEPT AT NIGHT, AND OF BUILDINGS IN WHICH NO PERSON SLEPT AT NIGHT, FROM 1843 TO 1852 INCLUSIVE.

Year.	Number inhabited at night.	Average of loss per ct. of sums insured.	Number not inhabited at night.	Average of loss per ct. on sums insured.
1843, . .	5	$3\frac{8}{20}$	12	$3\frac{10}{20}$
1844, . .	2	$2\frac{10}{20}$	6	$4\frac{6}{20}$
1845, . .	5	4	8	$21\frac{14}{20}$
1846, . .	8	$1\frac{8}{20}$	9	$19\frac{13}{20}$
1847, . .	5	$5\frac{4}{20}$	7	$5\frac{17}{20}$
1848, . .	14	$2\frac{18}{10}$	10	$6\frac{11}{20}$
1849, . .	13	$2\frac{1}{20}$	8	$4\frac{2}{20}$
1850, . .	12	$8\frac{10}{20}$	5	$4\frac{5}{20}$
1851, . .				
1852, . .	27	$2\frac{9}{20}$	15	$19\frac{14}{20}$
Total, .	91	$32\frac{8}{20}$	80	$89\frac{12}{20}$

On the ninety-one buildings inhabited at night, the average of all the averages for each of the nine years, was $3\frac{12}{20}$ per cent.; and on the eighty buildings not inhabited at night, was $9\frac{19}{20}$, or about threefold.

The inference from the table, without further elements, will not strike the mind as conclusive; but it awakens it to the consideration of the nearly constant relation which the inhabitance or non-inhabitance of a building at night, has to the extent of partial loss by fire; and it is perhaps explained by the necessary fact, that a fire must in general gain more headway or in-

tensity before discovery in buildings not inhabited than in buildings that are so inhabited.

But, Mr. Chairman, where are we at present in reference to the whole subject of fire insurance premiums? I have asked this question before. Let me resume the inquiry a few minutes in conclusion.

What knowledge have we of the proper rates of premium to be charged for insurance against fire in this city? I mean what accurate knowledge? The subject must be unlike all other subjects which concern mankind, or by some means or other, such knowledge may be obtained. But are we at present in the right way to obtain it? The present method seems to be that of trying a set of rates for a certain term of time, and if they result in loss to the parties insuring, to raise them; and as there have been two or three periods or terms, in which, after making what were supposed to be profits, and dividing them, losses have followed, and perhaps continued to follow, so rates have been raised from time to time, and we are now, it is said, on the eve of another augmentation. I cannot say that this is wrong. The projected change is very natural. But can a reason be given why the late rates have been too low, except the general fact that some companies have lost by them severely, some not so much, and some not at all, while some perhaps have gained? Is any such knowledge of the law of this disaster possessed, as to enable the insurers to say how much they must raise their rates, and upon what risks in particular, to prevent the same thing from happening to them, which has already happened more than once?

Our case is not peculiar. I do not know how it is in London, except as I shall show that they are at least trying to learn by the right method. But in Belgium, out of twelve companies authorized by the government between 1830 and 1848, but eight of them in the latter year continued the business, and of these eight, four of them lost more in that year than the amount of premiums received; three only made a profit, and one of them made no return. The insurances covered in the aggregate nearly 300,000,000 dollars; the average of the premiums was 85 centimes per thousand francs; and the whole mass of gain for the year was about 11 per cent. on the premiums. There seems to have been a rather imperfect estimate of probabilities, to arrive at such a result. If no better can be made, the business is a lottery, and almost without a scheme. The government of Belgium wished, as in some other countries in Europe, to become insurer for the whole kingdom; but after making careful inquiries, gave it up. The risks are no doubt different in different places, mainly depending, I suppose, upon the supply of water, and the efficiency of fire apparatus; but making all due allowances on this head, it seems extraordinary that any proper estimate of probabilities, should have resulted in the great difference of rates between Belgium and certain places where government is the insurer, the rate I have stated for Belgium, of 85 centimes per 1000 francs, or 1s. 9d. per cent. for the year, being the average of all the premiums for all risks, and the average rates for buildings only, the least hazardous class, being in Wur-

temberg, 2s. 6d.; in Baden, 2s. 9d.; in Saxony, 3s. 1d.; in Bavaria, 3s. 9d.; in Switzerland, 5s. 0d.; and in Prussia, 5s. 8d.* per cent.; while in Paris the premium on buildings is only 15 to 20 cents per 1000 francs, or from 4d. to 5d. per hundred pounds. In this state of our knowledge one thing seems to be certain, that all the profits of the year are not by any means profits in the large and proper sense for an insurance company to adopt. The true and ultimate profits can be estimated only upon the average of years, probably of many years, and of how many, we shall know only when we know from very many years' accurate observation, what is the average of disaster one year with another in that class of risks which the insurer assumes. Upon a limited range of business, the experience of a single company even for thirty years, derived from the results of their business only, and not from particular and minute observations directed to all the circumstances properly classified, may be a most imperfect guide. The experience of several companies, being of the same general character, cannot be worthy of much greater reliance. Indeed, nothing that is not the result of the largest and closest observation for a long period, of all the phenomena of the disaster in the whole field in which insurances are effected, can deserve the name of knowledge. If rates are established by a company, on the information derived from the results of its own insurances, for one or a dozen years, and nothing better, it strikes me as being much the same in point of cer-

* Assurance Magazine, Sept., 1850.

tainty, as if a man should insure lives without a mortality table, upon the strength of what he had observed among his own acquaintances. Insurance upon any such basis appears to be empirical. I acknowledge our own practice to be something of this sort, though probably less so than common from the limited description of risks assumed by us; but we do the best we can in our state of ignorance. We save all we get for the payment of all that we may lose, and nobody can do more. Our accumulations are a security for our ignorance or inexperience, and those who insure with us cannot have a better sponsor; but if reservations by dividend companies are not made at all, or are made only to give stability to dividends, and are so applied on the first necessity, then they are not a security for those who are insured, but for stockholders who receive dividends, and they are no guarantee at all for the mistakes of ignorance or inexperience. To some extent doubtless the capital of such companies is such a security; but what that is worth depends upon the amount and character of the insurances made by the Company, which, as the law now stands, the public in this State are ignorant of, though annually informed of their assets.

But cannot a rule be obtained by observation and inquiry? Must we continue in the present state, when few, and it may be none among us, can give a plain and defensible reason for naming a given rate of insurance, as that which if applied to a considerable mass of transactions will most probably meet the loss on the

kind of property insured for one year, or for ten years, or for an unlimited term, and also pay expenses and leave a fair profit to the insurers? Cannot the companies by united observations accurately and minutely made, and prosecuted for a considerable number of years, come to the knowledge of such facts as will furnish a defensible reason for naming a certain premium for insuring property of a given description against the risks of fire in a given place? It is the opinion of scientific men, I believe, that by observing the course of events extensively and accurately, such knowledge may be acquired, and with it a rule of insurance, at least approximately, sufficient for practical use. In the opinion of such men, it is possible to obtain what may be called the *law* of any species of disaster in the place of observation, and in regard to fire something like a mortality table, a table of injury as well as of mortality by that element, in the case of houses and merchandise, and its variations in the case of particular trades, and in the different conditions of the agents and apparatus for arresting and extinguishing fires. Even a year's accurate observation may do something, though perhaps little. Ten years' observation may give a sensible approximation to a rule. And a century may give even the larger variations, the plague and cholera losses, as I have called them. But the time it may take is nothing. The observations should be begun at once, and never cease, because new circumstances are constantly occurring to increase or diminish the risk of fires, and all of the phenomena should be constantly

and regularly observed. It is the duty of the present day to begin. It will be the duty of that which succeeds to follow on. We should constantly keep company with all the changes in the place, its extension, the heights and materials of its buildings, the merchandise contained in them, and its liability to spontaneous combustion and explosion, the nature and management of dangerous trades, the character of the firemen and their apparatus, the methods of warming and lighting the dwellings and warehouses, even such matters as the matches and means of kindling a light, the loco-focos and lucifers which are one of our most operative dangers; in fine, daily and regular observation should be applied to everything that can be supposed to affect either the occurrence of fire or its intensity. All these things should be observed in their results from time to time continually. Is there any doubt that this can be done, I mean that the observations may be made? There is none whatever; and it cannot demand an expenditure which the united companies cannot both conveniently and profitably afford. Is there any doubt that a close approximation to a true rule for the future may be so obtained? Upon the authority of wiser persons, I believe there is none.

The method of persevering observation seems to be suggested by the proposition that the past contains our grounds of expectation for the future; and it seems to be equally true of almost all kinds of events,—of moral as well as of physical phenomena, of those which seem to be the result of the freest volition, as well as of

those which pass with the unreflecting observer for mere casualty or chance. This ground of expectation exists in regard to the phenomena of society, as well as in regard to those of nature. What has happened will under the same circumstances happen again. The same causes will continue to produce the same effects. When and how, and to what extent, and in what proportion they will happen in the future, may reasonably be inferred from the times, places, extent, and proportion of their occurrence heretofore; and the more extensive and prolonged is the observation of what has happened, the greater is our ability to foretell the future; that is to say, to declare the degree of probability that the same will happen again. Of course, a change in the causes of events, the action of new causes, and the inaction of former causes, must modify the result; and this constitutes the great value of the principle in political economy.

I have already referred to Dr. Halley's table of mortality to ascertain the value of premiums of insurance on lives. This was nothing more than an inference from the past, of what would be in future the proportion of deaths at certain times among a certain number of persons. But there is nothing in the phenomena of life or death among mankind, that makes that subject the only field in which such observations can be profitably employed as a basis for inferences of a corresponding character. They may be made with similar results in regard to the phenomena of fire and flood, of marriages, of crimes, of collisions at sea, of things in

which man seems to be the only agent, and of things in which he has no agency, or no apparent agency at all; of the movements of men and women acting with perfect freedom, and of matter that has neither perception nor will; and by this method, we may obtain practical certainty in regard to future events by the experience of the past, approaching it through the increasing mass of past observations, from the lowest degree of probability up to the highest. This science of observation is acquiring new value every day, and giving increased certainty to a vast number of operations, which without statistics would have no certainty at all.

I dare say some of you have been amused, as I certainly was myself, to see what a strange result has been obtained by M. Quêtelet from the general registry of marriages in Belgium. If anything is beyond calculation, it would seem to be the proportion to marriages between men and women of all other ages, of such marriages as take place between an old man of sixty and upwards, and a young woman of thirty and under; and between a young man of thirty and under, and an old lady of sixty and upwards. The thing seems to defy calculation beforehand. We cannot imagine that there is any regular proportion at all. Such mismatches seem to be a matter of mere accident, or bad luck, and that no constant causes can exist to produce them in any regular proportion whatever to the whole mass of marriages in the country. Nevertheless, as if men and women had no will of their own in such marriages, or in any marriages at all, whatever they may

think, Quêtelet establishes in the clearest manner from the marriage registry for several years, a regular proportion, some 5 in 1000, I do not recollect the precise proportion, continuing through successive periods. This looks very much like predestination, and in cases in which there is generally thought to be the coolest volition possible. It is of a nature to make matrimonial candidates of the ages concerned, look about them. Who knows whether he or she is not destined to be one of the five? But there is neither destiny nor chance about the matter. It is nothing more than the operation of such motives upon the will, as in the infinite modifications of condition, circumstances, and wants, in a highly artificial and refined society, are found by experience to occur in this proportion to the greater mass of causes operating in what we call a more natural direction. The freedom of the will is ours, and the responsibility that belongs to it. The combination of causes is the work of the Divine architect and administrator, performed in perfect coincidence with our freedom and moral responsibility.

The same principle is philosophically adopted, and acutely applied, by my friend, Mr. Biddle, who sits near me, in the administration of the Philadelphia Savings Bank in our neighbourhood.

What is it that in one month shall impel, or rather induce, the mass of the current depositors in that excellent institution, to place more on deposit than is taken out, and to do this in particular months with considerable regularity, from year to year, while in

other months, with similar periodicity, the reverse takes place, so that the experience of the past becomes a ground of what may almost be called prophecy for the future? By this guide the President of the institution is able to state with great probability whether the Savings Fund will be *plus* or *minus* for such months, and regulate its reservations accordingly. This is undoubtedly the free choice of uncombined individuals, conscious of their freedom, and moral agents in the use of it; but the formal causes or occasions of their decision one way or the other, are floating in the infinite mass of combinations about them, and periodically and with great regularity impress the mass of persons in their conditions. These statistics are consequently of use to the Savings Bank, and are perhaps of more value as the pulse of the condition of the depositors, and of even more than that.

It would be an error to regard this as altogether a moral phenomenon, and not to be compared with the physical phenomena of fire; for although this is true of the mere result, that the one is moral and the other at least to a great degree physical, yet the occurrences are equally the subject of observation, and may equally well, after a long series of observations, be found by analysis to have what may be called a law of occurrence. It is not true, however, of the formal causes or occasions of these different results, savings by depositors, and destroyings by fire, that they are exclusively either moral or physical, but they are a product of both; and I have no doubt that observations applied

to the season and the weather, occasioning an increased want of fuel, lights, clothing, and the like, or diminishing such wants, would be found to have a striking parallelism with the *plus* and *minus* receipts of the Savings Bank; and in like manner, that the statistics of negligence, unthrift, firemen's rows, and disorder, though all of them negatives, would also be found to have a decided bearing on the phenomena of fire. On obtaining the result of such statistics, the nonexistence of an event, it has been shrewdly said, will be found to have been an event, and a productive event, that has affected the result; as we may very well see in the relation that fire apparatus bears to the *loss* by fire, whether to the happening of the fire or not; so that in the two conditions of having an efficient fire apparatus, or not having any or a very bad one, we naturally expect to find an entirely different result as to the extent of loss by fire.

But I must bring these remarks to a point. The attention of the insurance companies in London has been particularly given, since the year 1832, to the statistics of fire in that city, and already with a very striking result. That it must enlighten them as to their rates of insurance against loss by fire, cannot be doubted; because it has given, or will finally give them a basis, upon which they can erect their scientific calculations of probabilities for their respective operations, in like manner as life insurance companies do.

Mr. Tuckett's Monthly Insurance Journal for February, 1852, gives extracts from an essay by Samuel Brown, Esq., Fellow of the Institute of Actuaries, a

recent institution in London, of great promise, "On the fires in London during the seventeen years from 1833 to 1849 inclusive, the numbers which occurred in different trades, and the principal causes by which they were occasioned." Without going into an analysis of losses in the different trades and other particulars, which are shown in subsequent numbers of the Journal, I will confine myself to the statement of fires, annual and aggregate in the whole period, and of losses, total, severe, and slight, in the city and its vicinity. The whole number of fires for the whole term of seventeen years, as derived from the reports of Mr. Braidwood, the Superintendent of the Metropolitan Fire Brigade, to the Committee for Managing the London Fire Engine Establishment, was 11,305, an average of 665 each year, the first and lowest year having been 458, and the last and highest 838, showing an increase in seventeen years of about 91 per cent., or about 5·35 per cent. annually. The annual increase was not, however, precisely in this ratio, but fluctuated something from year to year, but generally increased, the writer supposes, as the city and suburbs increased. The cases of total loss present these ratios:—for the first term of five years, 5·85 per cent.; for the second term of five years, 3·76; for the third term of five years, 3·27; and for the last two years, 3·35; the average of all being 3·99; so as to justify the expectation that in a long period of years the proportion of totally destroyed will be about 4 per cent. Of the *seriously damaged*, which I suppose to mean 50 per cent. and

more, the averages for the four terms before stated, were 25·53, 29·68, 31·56, 30·25; and the average of all the proportions was 29·50. The *slightly* damaged, which included all other degrees of loss, had the following proportions in the same terms, 68·62, 66·56, 65·17, 66·40; and the average of all the years, 66.51. The number "totally destroyed," gradually diminished from the beginning to the end of the term, which probably speaks the praise of the Fire Brigade; and the inference from the whole is that two-thirds of all the losses were quarter losses, or thereabout, and the remaining third was divided between half and total, the total loss being about 4 per cent.

The regularity of these proportions in all the periods after the first, when the efficiency of the Fire Brigade was perhaps incomplete, is remarkable. The importance and use of such statistics, when obtained in regard to the proportions in which particular conditions, such as trades, and the materials, height, and structure of buildings, enter into the respective average proportions before stated, are greatly enhanced for general purposes, as well as for those of the fire insurance companies. There is no reason that I know of, why the same statistics may not be obtained here, from this time henceforth; and I venture to predict, that when we obtain a fire establishment, located and governed by one presiding authority, the statistics will tell of its influence in diminishing the total losses, as well as upon the proportions of those less than total.

Permit me to state, sir, in this connexion, a remark-

able result that seems to have obtained in France. I get it from the first number of the London Assurance Magazine. If there are similar statistics of fires in Paris, Lyons, and Marseilles, as Mr. Braidwood's report gives for London, they are unknown to me. The Assurance Magazine does not give them, nor refer to them as existing. France is much behind England in fire insurance in point of time, but much before her in point of present expansion; for the writer I refer to gives the amount insured in France in 1848, by fourteen proprietary companies, at nearly 929,000,000 pounds sterling, and including the mutual companies, at £1,320,000,000; more than 50 per cent. greater than the fire insurances in Great Britain and Ireland, in the same year. There has consequently been an immense field for the trial of rates, and of the efficiency of fire corps, in arresting and diminishing losses. The result obtained is this. In Paris, the corps of "Pompiers" is of the first efficiency. It cannot have better apparatus than our own, and it has not as good a supply of water, but it is distributed in due proportion over the whole city, and is governed by one authority over all, with proper subdivision and subordination. It is a public establishment. The houses in Paris are almost always panelled with wood, and wood abounds in staircases, in floors, &c. "Yet the premium of insurance (annual), is only 15 to 20 centimes per 1000 francs, 4d. to 5d. per £100; whereas, at Lyons, where the houses are mostly built of granite, and with stone staircases up to the top, the premium is about double; and at Marseilles, where the

houses are constructed in a similar manner as in Lyons, but with the additional advantage of the floor being covered with tiles instead of wood, the premium is as high as 50 centimes per 1000 francs, which is more than double. The difference depends entirely on the superior organization of the 'Pompiers' in Paris, as compared with the two other places."

The city of Philadelphia, as well as the insurance companies, should ponder this important fact.

I have a concluding fact to state, which it is as important for the companies to advert to as anything in these averages for a few years. The latter may be regarded as the effect of constant causes or quantities always or generally operating. But there are causes that are not constant, or if constant they operate at longer intervals, the period of which it requires much longer observation to obtain, and which no cautious fire insurance companies can disregard without great injury to all who depend upon them. I will illustrate what I mean, by a reference to our river freshes or floods, which are equally within the reach of statistics, or of observations regularly made and recorded. In the year 1821, the dam at Fairmount was completed, and the power to supply the city with water obtained. In February, 1822, there was an ice fresh in the Schuylkill, a flood which raised the water at the Falls about twenty feet, and with it the broken ice of unusual thickness; and the current being obstructed by the lodgment of the ice at Peters's Island, and other points on the river, and especially at the gorge of the

Falls, the bridge at this point was lifted off its piers, just before the whole mass in the river broke through its obstructions, and began to pass downward, and it carried the bridge down the river and over the dam, where the last was heard of it. The Bridge Company sued the Schuylkill Navigation Company for the loss, as being occasioned by their dam, and I was of counsel with the defendants. The plaintiffs showed of course the average height of such ice floods for several years, and established a ratio, that would not reach their bridge. Even the maximum of all they showed was too low to endanger it. The dam, therefore, a new obstruction, was assumed to have been the cause of their loss. But the defendants proved by ancient witnesses that in 1784, thirty-seven years before the dam was built, there was an ice fresh of greater height, by from two to four feet, at the same points on the same river; and afterwards, in 1816, that another ice fresh of nearly the same height occurred, when a former bridge was lost; and lastly, that the plaintiffs were advised to build their last bridge several feet higher, to provide for the probable though rare and irregularly recurring violence of the ice freshes. The period of their return was not ascertained, but they had returned, and must be expected to return again. The dam was not a cause at all; it rather diminished the obstructions above, by deepening the water; but the true cause was an extraordinary concurrence of natural causes at that time, a hard winter, thick ice, the earth covered with snow so as to absorb little of the rain that fell,

some warm days to thaw the ice, and a long-continued heavy rain of several days, filling the channel of the river too suddenly to admit of being quickly drained off. The plaintiffs did not succeed in their cause. In about twenty years after this, another ice fresh occurred, principally affecting the tributaries of the Delaware, which almost totally swept out the locks and canals of the head waters of the Lehigh.

So it is with fires. All the causes are not constant, or the concurrence of all that are the most unfavourable and aggravating, does not happen as frequently as the concurrence of some of them does. An average of twenty, thirty, or even forty years may not include such great calamities; but they come nevertheless, and those who insure on perpetual policies, or perpetually insure by annual policies, are sure to be met by them. Marine insurances are better off. The average of seasons in given latitudes, in time of peace, is well ascertained, and underwriters can generally scent the taint of war a considerable time before the blast is upon them, and can either exclude the risk, or augment the premium. But the insurer has no notice of the impending conflagration before it endangers the fourth or the half of a city. I need not advert to the great fire of London, which occurred before fire insurances were known in England, and destroyed houses to the value of ten millions, sterling; nor to the fire in Lord George Gordon's commotion, when it was said that on one night, the smoky canopy of London was lurid with the light of thirty fires at once, in different parts of the city; nor to the

fire on Radcliffe Highway, in 1794, in the same city, which totally destroyed 636 houses; but I may properly refer to our own cities and towns, Albany, Pittsburg, St. Louis, Chilicothe, and many others, especially to the great fire in New York, in 1835, which it is said destroyed property in buildings and merchandise to the extent of twenty-seven millions of dollars. That great disaster caught the fire insurance companies in New York in their sleep, and I believe ruined most of them. They thought that they had the true average; but they had not provided for a calamity that was as much a part of the future as the rest, though for want of larger statistics its periodicity was unknown. I have heard of one of those companies having a capital of a million, and a contingent fund of $200,000, reserved to give constancy to its dividends, and which had made large dividends of profits for many years; but capital and contingent fund together were able to pay but sixty per cent. on their losses by that fire! If such a fire had been regarded not as probable, but still as not so low on the scale of probabilities as to be thought impossible, a moderate reservation accumulated for several years, not to give steadiness to dividends, but to provide for the want of statistics in the history of fires, or a more widely distributed selection of risks, might have saved the Company and those who insured with it also.

It is this, Mr. Chairman, that we want, and which I hope that we shall now at last begin to obtain. Our ancestors, a century ago this day, set in motion this great security; the comfort of all who make use of it,

if it is managed on right principles. If they suffer by fire, their comfort is to have an indemnity immediately supplied to them. It ought not to be jeoparded. If they do not suffer, their comfort is scarcely less, to hope confidently that it is in store, to be supplied when the disaster shall fall upon them; and this hope should be made sure to them, beyond all reasonable apprehension.

I will detain the Contributors no longer. I have already detained them too long. We shall none of us be here at the next centennial meeting, to speak of those who have gone before us in the administration of the Company, or to trace the influence of their operations upon the comfort of the inhabitants, and the stability and improvement of the city. But I trust that those who may then be present will have as much reason to speak favourably of us for our constancy in the maintenance of the great principle of 1763—the devotion of all that the Company can gain to the payment of all that the members can lose—as I have had to speak of their wisdom and foresight in introducing the principle among us. I fervently hope that its operation may never be arrested or impaired, and that the Company may continue and prosper for centuries to come, a great and perennial PUBLIC BLESSING.

OFFICERS

OF THE

PHILADELPHIA CONTRIBUTIONSHIP,

CHOSEN AT THE FIRST ELECTION, HELD

APRIL 13TH, 1752.

DIRECTORS.

BENJAMIN FRANKLIN,	JOHN MIFFLIN,
WILLIAM COLEMAN,	JOSEPH MORRIS,
PHILIP SYNG,	JOSEPH FOX,
SAMUEL RHODES,	JONATHAN ZANE,
HUGH ROBERTS,	WILLIAM GRIFFITTS,
SRAEL PEMBERTON, JR.,	AMOS STRETTELL.

TREASURER.

JOHN SMITH.

OFFICERS ELECTED APRIL 12, 1852.

DIRECTORS.

JOSHUA LONGSTRETH,	ALEXANDER W. JOHNSTON,
HORACE BINNEY,	J. PEMBERTON HUTCHINSON,
WILLIAM H. HART,	JOSEPH SWIFT,
WILLIAM SMITH,	HENRY J. WILLIAMS,
LEWIS WALN,	RICHARD P. LARDNER,
DR. CHARLES WILLING,	DR. J. RODMAN PAUL.

TREASURER.

JAMES S. SMITH.

DIRECTORS FROM THE ORGANIZATION OF THE COMPANY,

APRIL, 1752.

DIRECTORS.	From	To	Term of Service.
Abbott, William	1836	1840	4 years.
Baynton, John	1755	1758	3 "
Bedford, Gunning	1762	1801	39 "
Binney, Horace	1817	1819	2 } 41 "
Binney, Horace	1831	1870	39 }
Borie, Adolph E.	1862		
Biddle, Alexander	1864		
Coates, Samuel	1788	1803	15 "
Coates, Josiah L.	1803	1810	7 "
Coleman, William	1752	1754	2 "
Collins, Zaccheus	1803	1831	29 "
Cooper, Jacob	1758	1759	1 "
Crosby, Thomas	1754	1757	3 "
Crukshank, Joseph	1799	1836	37 "
Dawson, Mordecai L.	1836	1838	2 "
Deshler, David	1758	1790	32 "
Dilworth, William	1762	1765	3 "
Downing, Jacob	1796	1817	21 "
Duffield, Edward	1759	1766	7 "
Evans, David	1794	1809	15 "
Evans, John C.	1806	1819	13 "
Evans, Jonathan	1765	1785	20 "
Fisher, Coleman	1828	1836	8 "
Fisher, William	1754	1758	4 "
Fox, Charles P.	1835	1836	1 "
Fox, George	1819	1829	10 "
Fox, Joseph	1752	1762	10 } 23 "
Fox, Joseph	1767	1780	13 }
Fox, Samuel M.	1792	1797	5 "
Franklin, Benjamin	1752	1754	2 "
Franklin, Walter	1802	1808	4 "
Gordon, Thomas	1757	1761	4 "
Griffitts, William	1752	1753	1 "
Gowen, Franklin B.	1875		
Howell, Joshua	1762	1763	1 } 20 "
Howell, Joshua	1766	1785	19 }

DIRECTORS.	From	To	Term of Service.
Hart, William H.	1836		
Hartshorne, Pattison	1787	1820	33 years.
Hillegas, Michael	1772	1777	5 "
Hutchinson, Pemberton J.	1841	1866	25 "
Huston, Alexander	1763	1772	9 "
Harmar, William	1855	1872	17 "
Henry, Alexander	1874		
James, Abel	1753	1757	4 "
Johnston, Alexander W.	1841	1855	14 "
Jones, Charles	1754	1757	3 } 12 "
Jones, Charles	1763	1774	9 }
Jones, Isaac	1753	1755	2 "
Jones, John	1756	1758	2 "
Jones, Robert S.	1777	1782	5 "
Lardner, Alexander	1841	1848	7 "
Lewis, Jacob	1756	1762	7 "
Lewis, Joseph S.	1805	1817	13 "
Lewis, Mordecai	1785	1799	14 "
Lewis, Samuel N.	1836	1841	5 "
Logan, James	1753	1754	1 "
Longstreth, Joshua	1819	1869	50 "
Lardner, Richard P.	1848		
Mifflin, John	1752	1754	2 "
Morgan, Evan	1754	1763	9 "
Morgan, Benjamin R.	1820	1840	20 "
Morgan, Thomas	1799	1805	6 "
Morris, Joseph	1752	1754	2 "
Morris, Luke	1762	1784	22 "
Morris, Joseph S.	1809	1817	8 "
Morris, Samuel	1758	1762	4 "
Morris, Thomas, Sr.,	1784	1809	25 "
Morris, Thomas, Jr.,	1817	1841	24 "
Morrison, William	1840	1848	8 "
Morton, John	1785	1828	44 "
Morris, George C.	1871		
Norris, Joseph P.	1797	1836	39 "
Ord, John	1759	1760	1 "
Palmer, John	1764	1765	1 "
Paschall, Joseph	1780	1795	15 "
Parke, Dr. Thomas	1827	1835	8 "
Pearson, Isaac	1809	1816	7 "
Pemberton, James	1753	1756	3 "
Pemberton, Israel, Jr.,	1752	1754	2 "

DIRECTORS.	From	To	Term of Service.
Pennington, Edward	1763	1764	1 year.
Perot, John	1792	1819	27 "
Poulson, Zachariah	1810	1844	34 "
Price, Joseph	1818	1846	28 "
Paul, Dr. J. Rodman	1848		
Price, Joseph	1869		
Rakestraw, Joseph	1778	1794	16 "
Rawle, Francis	1761	1762	1 "
Rawle, William	1790	1792	2 "
Reeve, Peter	1761	1787	28 "
Rhoads, Samuel	1752	1763	11 "
Roberts, George, Sr.,	1774	1799	25 "
Roberts, George, Jr.,	1828	1836	8 "
Roberts, Hugh	1752	1759	7 } 8 "
Roberts, Hugh	1761	1762	1 }
Strettell, Amos	1752	1753	1 "
Saunders, Joseph	1763	1765	2 "
Sayre, John	1757	1758	1 "
Sims, Buckridge	1754	1756	2 "
Shoemaker, Samuel	1758	1759	1 } 14 "
Shoemaker, Samuel	1766	1779	13 }
Shoemaker, Jacob, Jr.,	1764	1787	23 "
Smith, William	1836	1861	25 "
Sparks, James	1782	1784	2 "
Stretch, Joseph	1757	1766	9 "
Stretch, Thomas	1758	1761	3 "
Syng, Philip	1752	1754	2 "
Swift, Joseph	1844	1871	27 "
Thompson, Jonah	1820	1827	7 "
Towers, Robert	1784	1792	8 "
Thompson, John J.	1873	1875	2 "
Wells, Gideon H.	1796	1803	7 "
Wells, Richard	1778	1796	18 "
West, William	1760	1761	1 "
Wetherill, Samuel	1765	1778	13 "
Waln, Lewis	1838	1864	26 "
Watkins, Joseph	1755	1758	3 "
Watson, Joseph	1816	1841	25 "
Wister, Bartholomew	1795	1796	1 "
Willing, Dr. Charles	1841		
Wharton, Thomas	1759	1767	8 "
Williams, Henry J.	1846	1873	27 "
Welsh, John	1866		
Wister, William	1871		
Zane, Jonathan	1752	1753	1 "

TREASURERS.

TREASURERS.	From	To	Term of Service.
John Smith,	1752	1756	4 years.
James Pemberton,	1756	1760	4 "
Isaac Greenleafe,	1760	1771	11 "
James Pemberton,	1771	1776	5 "
Samuel Sansom,	1776	1807	31 "
Caleb Carmalt,	1807	1817	10 "

CLERKS.

CLERKS.	From	To	Term of Service.
Joseph Saunders,	1752	1754	2 years.
Robert Owen,	1754	1768	15 "
John Langdale,	1768	1769	1 "
Matthew Clarkson,	1769	1776	8 "
Caleb Carmalt,	1776	1817	42 "

SECRETARY AND TREASURER.

SECRETARY AND TREASURER.	From	To	Term of Service.
Joseph S. Lewis. Elected 25th Nov., 1817. Died March, 1836.	1817	1836	19 years.
Edw. Pennington. Elected 16th March, 1836. Resigned 6th Jan., 1842.	1836	1842	6 "
James S. Smith. Elected 12th Jan., 1842. Resigned May 18, 1859.	1842	1859	17 "
Jas. Somers Smith. Elected May 18, 1859.	1859		

IN MEMORIAM.

HON. HORACE BINNEY.

[Extract from the Minutes of "The Philadelphia Contributionship for the Insurance of Houses from Loss by Fire."]

At the Stated Meeting of the Board of Directors, held at the office, No. 212 South Fourth Street, at 12 o'clock, noon, August 18, 1875, Dr. Charles Willing presented and read the following preamble and resolution, viz.:

Since the last meeting of the Board, an event has occurred, which, though in the course of nature long impending, we had all fondly hoped might be yet for some time delayed. On the 12th of August the Hon. Horace Binney died at his residence, at the advanced age of ninety-five years. Although for some time previous to his death his official relation to this corporation had ceased, in consequence of the resignation of his position as a Director and our Chairman, yet his long connection with its affairs, and the interest he continued to manifest in its welfare, confer on us the privilege of expressing, as a body, the very high respect and honor in which he was held by every member of this Board. Therefore,

Resolved: That the Board of Directors of *The Philadelphia Contributionship*, have heard with profound regret of the death of the Hon. Horace Binney,

who had been associated with this corporation forty-one years, having been first elected a Director, April 15, 1817, and resigned in 1819; being again elected a Director, July 6, 1831, and chosen as Chairman, August 7, 1844, continuing to officiate as Chairman during a period of twenty-six years, until his relation to the Company was terminated by his resignation, December 28, 1870, this being the latest official position that he maintained in connection with any public body. That they cannot forget the invaluable service, which, during this long period, he rendered by his sound judgment and wise council, to which, in a very great degree, the present prosperity of the corporation is to be ascribed.

That they desire to express the very high respect and honor with which they regarded one in whom great intellectual capacity, uniting with the grandest moral qualities, composed a character which impressed, by its power and excellence, all who came within its influence. A character whose completeness was as marked as it was rare. A judgment so clear and searching that every subject submitted to it resolved itself into its true proportions; an imagination subject to the reason, yet giving force and glow to its expression; a comprehensive grasp combined with a faithful accuracy in the conduct of all the affairs committed to his care, and a supreme moral courage; such, that, when convinced of the right, no external influence, however powerful, could for one instant deter him from its assertion and maintenance. The exercise of his

great powers was not confined to individual gratification, or the service of personal friendship; but when occasion presented, they were freely used for the benefit of his country, and of the community in which he lived. His fellow-citizens had learned to feel that in every hour of anxiety and danger, either in private or public affairs, there existed a refuge where the wisest and bravest counsel might be sought, and would be given.

A cultivated and elegant scholar; a profound and learned lawyer, to whom the members of his profession acknowledged none superior; a most accomplished gentleman; the crowning grace of his grand and yet finely moulded character was the deep, sincere, earnest faith of a Christian; a faith in which lay the secret of the consistency, the purity, the courage, and the strength which ennobled his long and honored life.

That while they mourn for themselves an irreparable loss, they desire to offer their most fervent and respectful sympathy to those who, in his departure from this world, have undergone yet deeper bereavement.

When, on motion of John Welsh, Esq., they were unanimously adopted.

On motion of George C. Morris, Esq., it was resolved that the preamble and resolutions be entered at length on the minutes, and that a copy of them be sent to the family of the Hon. Horace Binney; also that they be published.

CHARLES WILLING, Chairman.

JAS. SOMERS SMITH, Secretary.

Directors.

AUGUST 18, 1875.

William H. Hart,	John Welsh,
Dr. Charles Willing,	Joseph Price,
Richard P. Lardner,	William Wister,
Dr. J. Rodman Paul,	George C. Morris,
Adolph E. Borie,	Alexander Henry,
Alexander Biddle,	Franklin B. Gowen.

Secretary and Treasurer,

James Somers Smith.